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Security Information

1 December 1953

MEMORANDUM FOR: Deputy Director (Plans)

SUBJECT : Stanley Ross and his Report on Communism
in Bolivia

1. The U. S. Government has received many copies of Mr. Ross' report asserting that Bolivia today is the gateway to Communist penetration into the Western Hemisphere. All of these copies have been accompanied by pressure--to deny U.S. economic support to the present Bolivian Government. In this respect it appears that Stanley Ross has close connections with tin mining interests (Patino, Hochschild and Aramayo) adversely affected by the nationalization of mines under the present Government.

2. Since 1 November eight copies of Ross' report have come to the attention of CIA. Some copies have been received directly; others have come from State, FOA, and Ambassador Lodge. Both State and FOA have indicated that they were being subjected to pressure with regard to the Ross report, and that it had been rather plainly indicated to them that failure on their part to take cognizance of the charges of Communist influence in the present Bolivian Government might lead to public charges that this information had been offered to responsible government agencies, followed by asseverations or charges by innuendo that the respective agencies had failed or refused to consider the proffered information.

3. Current [REDACTED] reports and information continuously being received in Contact Division strongly suggest that the circulation of the Ross report in Washington is fully coordinated with the release of statements by Bolivian opposition leaders, from other Latin American countries, who make the same charges and seem to rest their claims on identical or very similar documentation.

4. Circulation

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4. Circulation of the Ross report has generally coincided with the occurrence and aftermath of an abortive revolutionary coup in Cochabamba, Bolivia, of 9 November 1953, (at which time the U.S. Senate Banking Committee representatives were present in Bolivia). In the revolt attempt, the Falange Socialista Boliviana party, with the support of unidentified outside interests, sought to capture the Bolivian President personally, and to overthrow the Government by force.

5. In chronological summary, the following copies of the Ross report have been seen:

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a. Copy No. 1 of the report was brought to WH Division by [REDACTED] a consultant of CIA, about 3 November. [REDACTED] desired an appraisal of the report for the use of his brother, [REDACTED] of New York City, who is known as a public relations representative of the Patino tin mining interests. As the appraisal was requested for a private individual, WH Division declined comment and returned the report to [REDACTED].

b. Copy No. 2 was given to Colonel Sheffield Edwards by FOA on or about 17 November. FOA requested a CIA evaluation of the report. We understand that FOA's attention to the report was solicited or recommended by Msgr. Maguire of the National Catholic Welfare Conference.

c. Copy No. 3 was transmitted to CIA Contact Division, with the recommendation of the National Catholic Welfare Conference, about 15 November.

d. Copy No. 4 was transmitted to CIA Contact Division through a "Y" (confidential) source, at approximately the same date.

e. Copy No. 5 was offered directly to State Department, ARA, by the author, Stanley Ross, and was transmitted to CIA by State for reproduction, as a matter of record. This copy was received in RQM/OIS on 18 November. (We are informed that the author indicated to State Department officers that he contemplated using the report for a series of magazine articles and was discussing that possibility with the New York Times and other publishers. He also indicated that if the State Department desired the report, he considered it worth fifteen or twenty thousand dollars in view of the time and travel costs invested in the work.)

f. Copy No. 6

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f. Copy No. 6 was offered by the author to State Department, OIR, early in November. The existence of this copy was mentioned by OIR to CIA/OCI, and an OCI analyst examined it cursorily.

g. We were informed yesterday of your memorandum showing receipt of Copy No. 7, from the White House, where it was delivered by Dr. Milton Eisenhower, who received it from the author.

h. Since 9 o'clock this morning we have learned that an additional copy, Copy No. 8, has been handed to Ambassador Lodge, who in turn has requested evaluation by the Department of State.

6. The following action was taken before [REDACTED] receipt of your 30 November memorandum asking him to coordinate a CIA reply to Copy No. 7 from the White House:

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a. RQM/OIS made (on 20 November) a page by page comparison of the several copies then available. Minor discrepancies, omission of some enclosures, etc. were noted, but in general, all copies of the report were the same. (Nor does the White House copy, Copy No. 7, differ materially from the others).

b. OCI made a page by page analysis of the report at our request within three working days (20, 23 and 24 November), utilizing the comments WH Division also had prepared. OCI's analysis concluded that the report is biased, sensational and inaccurate. (We have given copies of this analysis to [REDACTED] and to Staff C. In addition, DDI has received a copy direct from AD/IC. One copy is enclosed herewith).

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c. We also asked Staff C (on 19 November) to make an analysis within the time limit to which OCI had agreed. Staff C resigned the assignment.

d. RQM/OIS transmitted the appraisal (coordinated except for omission of Staff C) to WH Division (on 25 November) for transmittal to Colonel Edwards in fulfillment of the original request from FOA. Save for any additions Staff C now may make, this appraisal still constitutes a coordinated CIA position.

7. RQM/OIS

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7. RQM/OIS Research Panel concurs in the over-all judgment of OCI and WH Division analysts that the Ross report is biased, sensational and inaccurate, and with the basic conclusions regarding the content and allegations of the report which we summarized from separate statements made by the area specialists, who have followed developments in Bolivia and neighboring countries for many years:

a. The evidence as submitted does not add up to proof that the MNR Government of Bolivia is a government under foreign supervision or one which is aiding the international movement of Communism. The document does not appear to contain proof that the present Bolivian Government acts under order from Moscow or that La Paz is headquarters for the Latin American Comintern.

b. The ruling party in Bolivia, known as the Movimiento Nacionalista Revolucionario (MNR), in general "has been opposed to Communism. At times the interests of the MNR and the Communist Party have appeared to coincide, i.e., in the April 1952 revolution, and on the nationalization of large mining companies, and on agrarian reform." Their methods for carrying out these policies have differed, however. "The MNR consistently has favored compensation for both mining companies and landowners, while the Communists urge outright expropriation."


c. "Final decisions made by the MNR government on the agrarian reform program do not appear to be Communist inspired. Recent disturbances and agitation among the Indians appear to have been caused by Communist and leftist agitators advocating complete expropriation without compensation, and have been fought by the Government."


Chief, RQM/OIS

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Attachment:

OCI Evaluation of Manuscript:
"Bolivia: A Dagger at Our Backs"

cc: C/PI
C/PI/RQM
WH (Attn: 
DO (Attn: Col. Edwards)

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Approved For Release 2001/03/01 : CIA-RDP57-00384R001200030014-3
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C/Contact Division

C/PI/STC
General Counsel

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ORIGINAL DOCUMENT MISSING PAGE(S):

Attachment